

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4165

Authorizing the CDA to enter into an Option Agreement with Movin' Out, Inc. and/or its assigns for sale of the property located at 2230 West Broadway in Madison, Wisconsin to include 1918 West Broadway and 5330 Hoboken

Presented January 14, 2016
Referred _____
Reported Back _____
Adopted January 14, 2016
Placed on File _____
Moved By Daniel Guerra, Jr.
Seconded By Sara Eskrich
Yeas 4 Nays 1 Absent 1
Rules Suspended _____

WHEREAS, enacted Res-14-00907 approved the transfer of \$500,000 from Tax Increment Financing District #27 to the CDA for the acquisition of 2230 West Broadway in Madison, Wisconsin to facilitate the development of affordable housing within the boundary of TID #27; and

WHEREAS, the CDA also owns parcels at 1918 West Broadway and 5330 Hoboken in Madison, Wisconsin located proximate to 2230 West Broadway; and

WHEREAS, Movin' Out planned to develop affordable housing on the 2230 West Broadway and a replacement facility for Bridge Lake Point Community Center as part of the development; and

WHEREAS, Movin' Out plans to develop additional affordable housing units on the at 1918 West Broadway and 5330 Hoboken as part of the development; and

WHEREAS, on June 11, 2015 the CDA Board passed a resolution authorizing the CDA to enter into an Option Agreement with Movin' Out, Inc. and/or its assigns for sale of the property located at 2230 West Broadway in Madison, Wisconsin.

NOW THEREFORE BE IT RESOLVED, that the CDA is authorized to amend the option agreement granted to Movin' Out extending the exclusive option to purchase the 2230 West Broadway property to include parcels located at 1918 West Broadway and 5330 Hoboken subject to the terms and conditions generally consistent with the terms set forth in Exhibit B.

BE IT FURTHER RESOLVED that the Chair and the Secretary are authorized to execute such documents as are necessary to carry out the intent of this resolution.

EXHIBIT A

Option Agreement

The CDA will grant Movin' Out, Inc. or its assigns (the "Buyer") the exclusive option to purchase the parcels 2230 West Broadway, 1918 West Broadway and 5330 Hoboken on the following general terms and conditions:

- a. Purchase Price of \$200,000.
- b. The Buyer may exercise the option to purchase at any time prior to June 1, 2016 contingent upon
 - a. evidence that Buyer has received an allocation of affordable housing tax credits;
 - b. evidence that Buyer has all land use approvals necessary to construct the Affordable Housing Development including replacement space for the Bridge Lake Point Waunona Neighborhood Center;
 - c. evidence that such other financing as is necessary to construct the Affordable Housing Development including replacement space for the Bridge Lake Point Waunona Neighborhood Center is in place; and
 - d. the CDA's approval, in its sole discretion of the development plan including but limited to the number, size and affordability of apartments and the provision of space for the Bridge Lake Point Community Center
- c. The parties agree to extend the option to purchase for a period of 12 months at such time as Buyer delivers notice and evidence that the Development has received an allocation of Affordable Housing Tax Credits from WHEDA.

Loan Agreement

At closing, the City shall accept a mortgage and note from the Buyer in the amount of \$200,000 for the purchase of the property (the "Acquisition Loan"). The Acquisition Loan will have a term of 30-years, an interest rate of 0% and shall be subordinate to all other forms of financing. The Acquisition Loan shall be payable in annual installments but only to the extent there is sufficient cash flow from the Affordable Housing Development.

At Closing, the CDA shall make a loan to Buyer in an amount equal to \$50,000. The CDA loan will have a 30-year term, an interest rate of 0% and shall be subordinate to all other forms of financing. The CDA loan shall be payable in annual installments but only to the extent there is sufficient cash flow from the Development.